



Fall in homemovers: first-time buyers outstrip the number of people moving house in 2018

- There were 170,000 UK homemovers in the first six months of 2018 - a slight fall compared to the first half of 2017.
- Homemovers account for around half (49%) of the housing market compared to 62% in 2011 and below first-time buyers for the first time since 1995.
- Over the past five years, the average price paid by homemovers has grown by 35% (£77,457) and deposits reach record highs.

The number of people moving home has dipped in the first half of the year and now account for only around half (49%) of the housing market – the first time homemover numbers have fallen behind first-time buyers since 1995, according to the latest Lloyds Bank Homemover Review.

There were 170,000 homemovers in the first half of 2018, down by 1,700 (1%) compared with the same period last year and down by 33,000 (16%) from the second half of 2017. This inactivity may be being fuelled by a shortage of suitable properties for sale but reflects the broader housing market which is showing little sign of movement.

The fall in homemover numbers follows a rise in 2017, which reported the highest level of movers in 10 years. This also coincides with a 3% rise in first-time buyers to 175,500, so that for the first time since 1995, just under a half (49%) of all house purchases financed by a mortgage were made by homemovers – down from 62% in the first half of 2011. (Table1)

Andrew Mason, Lloyds Bank mortgage products director, said: “Despite continuing low mortgage rates, the homemover market has stabilised with little movement in the first half of this year to leave first-time buyers now driving housing activity. This may be in part due to the Help to Buy scheme enabling first-time buyers to purchase a new property, combined with the low availability of the ‘right type’ of homes for those looking to move up the housing ladder. The costs of moving house and potential further interest rate rises may also be weighing on potential homebuyers’ minds.

“However, it is good to see the number of first-time buyers increasing, helping to keep some movement along the property ladder.”

Record highs

Over the past five years, the average price paid by homemovers has grown by 35% (£77,457) from £219,479 in 2013, to £296,936 in 2018 – a record high.

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In East Anglia, the average price a homemover pays has grown by 46% since 2013 to £305,612, the highest rate of growth in the UK. Greater London and the South East follow with 45% growth in average property prices since 2013 – Greater London has the most expensive homemover homes with an average price of £566,200, followed by the South East (£412,759).

The least expensive homemover homes can be found in Northern Ireland with an average price of £170,031. (Table 2)

The average deposit put down by a homemover has also increased by 31% in the past five years, from £76,303 in 2013 to £99,592 in 2018. Not surprisingly Londoners put down the largest deposit of £189,167 towards the purchase of their next home, which is nearly four times the average homemover deposit of £48,003 in Northern Ireland.

However, whilst Londoners put down the highest deposit in monetary terms, homemovers in the South West and East Anglia contribute the largest deposit as a proportion of average house price – 38% (£117,892 and £116,278 respectively in cash), followed by South East (35%). (Table 3)

More outright home owners than those with mortgages

Of the estimated 23.1 million households in England, 14.4 million (63%) were owner occupiers. This remained unchanged in 2016/17. However, the composition of owner occupation rates has moved towards an increased proportion of outright owners (34%) versus mortgagors (28%), partly explained by large numbers of baby boomers reaching early retirement age. So, whilst homemovers with mortgages are stabilising, the bigger picture may be that this is in part because homemovers who don't need a mortgage are on the increase.

In 2006-07, about three quarters (72%) of those aged 35-44 were owner occupiers. By 2016-17, this had fallen to half (52%). While owner occupation remains the most prevalent tenure for this age group, there has been a considerable increase in the proportion of 35-44 year olds in the private rented sector (11% to 29%).

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Notes to editors:

Table 1: Annual number of Homemovers (purchasing with a mortgage) – UK

	Number of Homemovers	Annual % change	Number of First Time Buyers	Annual % change
2008 H1	179,800	-45%	109,300	-40%
2009 H1	117,900	-34%	72,700	-33%
2010 H1	157,100	33%	95,500	31%
2011 H1	138,300	-12%	86,000	-10%
2012 H1	152,000	10%	100,600	17%
2013 H1	144,800	-5%	115,500	15%
2014 H1	164,500	14%	143,400	24%
2015 H1	156,600	-5%	137,000	-4%
2016 H1	174,100	11%	157,100	15%
2017 H1	171,700	-1%	171,200	9%
2018 H1*	170,000	-1%	175,500	3%

Source: CML, *LBG estimate

Table 2: Homemovers: Annual Average House Price % Change, 2008-2018**

	2008 £	2013 £	2017 £	2018 £	1 year % change	5 year % change	10 year % change
North	179,475	151,637	182,782	189,073	3%	25%	5%
Yorkshire and the Humber	188,068	162,994	211,177	214,690	2%	32%	14%
North West	203,668	167,861	217,273	224,175	3%	34%	10%
East Midlands	194,764	170,890	229,947	245,425	7%	44%	26%
West Midlands	209,802	189,733	244,047	257,149	5%	36%	23%
East Anglia	234,488	209,056	290,313	305,612	5%	46%	30%
Wales	192,072	168,329	200,109	210,903	5%	25%	10%
South West	257,517	232,157	297,294	313,646	6%	35%	22%
South East	316,522	284,994	397,092	412,759	4%	45%	30%
Greater London	407,892	389,236	562,317	566,200	1%	45%	39%
Northern Ireland	266,601	129,828	165,391	170,031	3%	31%	-36%
Scotland	195,508	172,881	205,475	209,496	2%	21%	7%
UK	251,046	219,479	289,254	296,936	3%	35%	18%

Source: Lloyds Bank calculations, LBG ** 12 months rolling average to June for each year.

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Table 3: Homemovers: Average Price And Deposit By Region, 2018**

Region	Average House Price 2018 (£s)	Average Deposit 2013 (£s)	Average Deposit 2018 (£s)	Deposit as % of purchase price 2018	5 Year % Change in Deposit
North	189,073	46,783	56,695	30%	21%
Yorkshire and the Humber	214,690	53,371	67,229	31%	26%
North West	224,175	52,475	67,336	30%	28%
East Midlands	245,425	55,062	78,023	32%	42%
West Midlands	257,149	64,242	83,123	32%	29%
East Anglia	305,612	78,416	116,278	38%	48%
Wales	210,903	55,506	68,509	32%	23%
South West	313,646	90,937	117,892	38%	30%
South East	412,759	104,757	145,554	35%	39%
Greater London	566,200	137,972	189,167	33%	37%
Northern Ireland	170,031	37,013	48,003	28%	30%
Scotland	209,496	53,205	65,353	31%	23%
UK	296,936	76,303	99,592	34%	31%

Source: Lloyds Bank calculations, LBG. **12 months rolling average to June.

NOTES:

The **Lloyds Bank Homemover Review** tracks conditions for those who already own a home. The review is based on data from the Lloyds Banking Group house price database, the Council of Mortgage Lenders, the Office for National Statistics and the Bank of England.

¹ Crude average house price over the 12 months to June

² Bought with mortgage finance

DATA SOURCES:

This research is based on data from the Lloyds Banking Group housing statistics database as well as the Council of Mortgage Lenders, the Office for National Statistics and the Bank of England.

House Prices. The prices used in this research are simple arithmetic ('crude') averages. These prices are not standardised and therefore can be affected by changes in the sample from period to period.

Historic figures on the number of homemovers and first time buyers have been sourced from the Council of Mortgage Lenders (CML).

[English Housing Survey 2016 to 2017: headline report - GOV.UK](#)

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